

FISCAL NOTE

SB 2725 - HB 3050

February 19, 1998

SUMMARY OF BILL: Broadens the definition of farm machinery and equipment for sales tax exemption purposes to include equipment used in harvesting and producing timber products, whether such products are used by the landowner or by a contract harvester. The provisions of the bill are retroactive to July 1, 1991.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$700,000 One Time

Decrease State Revenues - Exceeds \$100,000

Decrease Local Govt. Revenues - Exceeds \$37,500

The Department of Revenue has estimated that it would be required to refund an amount in excess of \$700,000 in sales tax that has been collected since July 1, 1991, because the bill is retroactive to that date.

Also assumes a decrease in state sales tax revenues exceeding \$100,000 and a decrease in local government sales tax revenues exceeding \$37,500 on future purchases.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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